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February 12, 2026

Non-consolidated Financial Results for the Nine Months Ended December 31, 2025 [Under Japanese GAAP]



Company name: Fuso Pharmaceutical Industries, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4538
 URL: <https://www.fuso-pharm.co.jp/en/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2025	48,265	3.4	2,367	(34.8)	2,216	(33.7)	1,684	(29.9)
December 31, 2024	46,659	8.9	3,633	97.2	3,341	82.7	2,402	95.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2025	197.24	-
December 31, 2024	281.26	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2025	89,449	34,655	38.7
March 31, 2025	81,729	33,043	40.4

Reference: Equity

As of December 31, 2025:	¥	34,655 million
As of March 31, 2025:	¥	33,043 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	40.00	-	42.00	82.00
Fiscal year ending March 31, 2026	-	45.00	-		
Fiscal year ending March 31, 2026 (Forecast)				45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	61,500	1.5	3,400	(17.7)	3,300	(12.7)	2,300	-	269.24

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	9,451,169 shares
As of March 31, 2025	9,451,169 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	913,525 shares
As of March 31, 2025	910,805 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	8,539,022 shares
Nine months ended December 31, 2024	8,543,164 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of results forecast, and other special notes

Results forecast and other forward-looking statements in this document are based on information currently available to the Company as of the date of announcement and certain assumptions that are deemed reasonable, and are not a guarantee that they will be achieved. Actual results may differ significantly from the forecasts due to various factors. For more information on the assumptions used in the forecasts and notes on its use, please see “1. Overview of Operating Results, etc. (3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information” on page 2 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Nine Months under Review

During the nine months ended December 31, 2025, the Japanese economy continued to see a moderate recovery with improvement in employment and income situations and increased demand from inbound tourists. However, due to not only the persistently high prices of resource and raw material and the continuing rise in commodity prices but the trend of trade policies in the United States, and fluctuations in financial and capital markets, the economic outlook remains uncertain.

In the pharmaceutical industry, policies to control medical expenses continue to be promoted through measures such as reforming the NHI drug price system and promoting the use of generic drugs. While all these trends call for companies in the industry to strengthen their management capabilities, the earnings environment has become increasingly harsh as R&D expenses rise and development risks expand.

Under such circumstances, Fuso Pharmaceutical Industries, Ltd. (the “Company”) strived to promote stronger penetration of dialysis-related products and infusions such as its mainstay Kindaly, a dialysate for hemodialysis, while also focusing on promoting sales of generic drugs.

As a result, for the nine months ended December 31, 2025, net sales increased by 3.4%, or ¥1,606 million year on year to ¥48,265 million. This was mainly due to sales promotion of kidney and dialysis-related generic drugs. As for profit, due in part to a higher-than-expected cost of sales ratio driven by rising raw material and personnel costs, and an increase in R&D expenses resulting from progress of R&D activities related to DMX-200, operating profit decreased by 34.8%, or ¥1,265 million year on year to ¥2,367 million, ordinary profit decreased by 33.7%, or ¥1,125 million year on year to ¥2,216 million, and profit decreased by 29.9%, or ¥718 million year on year to ¥1,684 million.

(2) Overview of Financial Position for the Nine Months under Review

Total assets at the end of the nine months ended December 31, 2025 amounted to ¥89,449 million, an increase of 9.4%, or ¥7,720 million from the end of the previous fiscal year. This was due to the impact of suspense payments of ¥8,744 million paid resulting from litigation, which offset factors such as a decrease in notes and accounts receivable - trade.

Liabilities amounted to ¥54,793 million, an increase of 12.5%, or ¥6,107 million from the end of the previous fiscal year. This was mainly due to an increase in short-term borrowings, which offset factors such as decreases in electronically recorded obligations - operating, income taxes payable, and provision for bonuses.

Net assets amounted to ¥34,655 million, an increase of 4.9%, or ¥1,612 million from the end of the previous fiscal year. This was due to increases in retained earnings and valuation difference on available-for-sale securities. The equity ratio was 38.7%.

As announced in the “Notice regarding the Appeal Court Decision in the Patent Infringement Lawsuit Against Us” dated May 27, 2025, the judgment was issued ordering the Company to pay a total of 7,472,878,838 yen, plus late payment damages thereon to Toray Industries, Inc. In light of this fact, the Company entered into a special overdraft agreement with Sumitomo Mitsui Banking Corporation on June 2, 2025 and secured mid- to long-term liquidity.

(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information

At present, the non-consolidated financial results forecast for the fiscal year ending March 31, 2026 remains unchanged from those disclosed when the non-consolidated financial results for the fiscal year ended March 31, 2025 were announced on May 9, 2025.

2. Quarterly Non-consolidated Financial Statements and Principal Notes
(1) Quarterly Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	6,264	6,880
Notes and accounts receivable - trade	26,491	25,097
Merchandise and finished goods	12,642	12,240
Work in process	43	66
Raw materials and supplies	2,256	2,387
Suspense payments	-	8,744
Other	644	1,220
Total current assets	48,342	56,635
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,660	9,173
Land	8,818	8,818
Other, net	4,632	4,351
Total property, plant and equipment	23,111	22,343
Intangible assets	1,514	1,394
Investments and other assets	8,760	9,075
Total non-current assets	33,386	32,813
Total assets	81,729	89,449
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	4,630	4,004
Accounts payable - trade	3,998	4,269
Short-term borrowings	18,827	27,618
Income taxes payable	949	13
Provision for bonuses	980	480
Provision for litigation loss	8,744	8,744
Other provisions	35	-
Other	5,965	5,846
Total current liabilities	44,131	50,976
Non-current liabilities		
Long-term borrowings	2,462	2,103
Provision for retirement benefits	344	-
Other provisions	162	172
Other	1,585	1,540
Total non-current liabilities	4,554	3,817
Total liabilities	48,685	54,793

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	10,758	10,758
Capital surplus	14,951	14,951
Retained earnings	12,612	13,553
Treasury shares	(2,593)	(2,595)
Total shareholders' equity	35,728	36,667
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,950	2,662
Revaluation reserve for land	(4,635)	(4,674)
Total valuation and translation adjustments	(2,685)	(2,012)
Total net assets	33,043	34,655
Total liabilities and net assets	81,729	89,449

(2) Quarterly Non-consolidated Statement of Income
 Nine Months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	46,659	48,265
Cost of sales	34,008	35,742
Gross profit	12,650	12,522
Selling, general and administrative expenses	9,016	10,154
Operating profit	3,633	2,367
Non-operating income		
Interest and dividend income	105	141
Insurance claim income	83	82
Other	29	36
Total non-operating income	219	260
Non-operating expenses		
Interest expenses	111	226
Commission expenses	302	88
Life insurance expenses	72	75
Other	25	21
Total non-operating expenses	511	412
Ordinary profit	3,341	2,216
Extraordinary income		
Gain on sale of investment securities	-	118
Total extraordinary income	-	118
Extraordinary losses		
Loss on retirement of non-current assets	7	-
Loss on sale of investment securities	-	26
Loss on valuation of investment securities	-	1
Total extraordinary losses	7	28
Profit before income taxes	3,334	2,306
Income taxes - current	719	378
Income taxes - deferred	212	243
Total income taxes	931	621
Profit	2,402	1,684

(3) Notes to Quarterly Non-consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in case of significant changes in shareholders' equity

Not applicable.

Changes in accounting policies

(Changes in method for valuation of inventories)

As a method for valuation of inventories, the Company had previously adopted a first-in first-out cost method for merchandise, finished goods, raw materials, and supplies (balance sheet values are calculated using a method of write-down based on declining profitability), and a moving-average cost method for work in process (balance sheet values are calculated using a method of write-down based on declining profitability). However, the Company has changed the methods to a weighted-average cost method (balance sheet values are calculated using a method of write-down based on declining profitability) from the three months ended June 30, 2025.

This change in the valuation methods was implemented with the aim of making valuation of inventories associated with the fluctuations in procurement costs and periodic accounting of profit and loss quicker and more appropriate, in the wake of introduction of ERP from the fiscal year ending March 31, 2026.

This change in accounting policies has just an immaterial impact.

Additional information

On December 13, 2018, Toray Industries, Inc. filed a patent infringement lawsuit against us for the oral antipruritic agent Nalfurafine Hydrochloride OD Tablets 2.5 μ g "Fuso" [representative original product: Remitch OD Tablets 2.5 μ g] in the Tokyo District Court seeking injunctive relief.

The Tokyo District Court subsequently ruled to dismiss Toray Industries, Inc.'s claim, and on March 30, 2021, Toray Industries, Inc. was dissatisfied with this decision and appealed to the Intellectual Property High Court.

On May 27, 2025, the Intellectual Property High Court partially granted Toray Industries, Inc.'s claim and issued a judgment ordering the Company to pay a total of 7,472,878,838 yen plus late payment damages on the said amount.

In conjunction with this judgment, the Company has recorded provision for litigation losses of 8,744 million yen as an extraordinary loss for the fiscal year ended March 31, 2025.

We have maintained that this product does not infringe on any patent rights held by Toray Industries, Inc., but we deeply regret that our arguments were not accepted in the appeal court. On June 6, 2025, we appealed this decision to the Supreme Court, and filed a petition for acceptance of the appeal.

Notes on segment information, etc.

The Company engages in real estate leasing in addition to the pharmaceutical business, but segment information is omitted because it is immaterial.

Notes on statements of cash flows

Quarterly non-consolidated statements of cash flows for the nine months ended December 31, 2025 are not prepared.

Depreciation (including amortization relating to intangible assets) for the nine months ended December 31 was as follows.

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	¥1,752 million	¥1,964 million